

IN RE: Semi-Annual Review of Base Rates for ) ORDER APPROVING  
Fuel Costs of South Carolina Electric ) STIPULATION AND  
& Gas Company. ) AGREEMENT AND  
 ) SETTING FUEL FACTOR

This Stipulation and Agreement came before the Commission on hearing on October 18, 1995 at 3:00 p.m. The Honorable Rudolph Mitchell, Chairman, presided. SCE&G was represented by Sarena Burch, Esquire. The Consumer Advocate was represented by Nancy V. Coombs, Esquire, and the Commission Staff was represented by F. David Butler, Esquire, and Catherine D. Taylor, Esquire. All parties stipulated to this Commission that the testimony of Company

witnesses, Kenneth R. Jackson, Mackie M. Bedenbaugh, Neville O. Lorick, and David A. Lavigne and their exhibits should be entered into the record without the necessity of cross-examination.

Kenneth R. Jackson took the stand to explain the Stipulation to the Commission. SCE&G projected that, during the six month period of November, 1995 through April, 1996, its projected fuel cost is 1.368 cents per kilowatt hour. SCE&G proposed and agreed that the fuel component remain at 1.348¢ per KWH, effective with the billing month of November, 1995, and continuing through the billing month of April, 1996. Jackson stated that this would, among other things further rate stability.

The Commission Staff presented the testimony of Jacqueline R. Cherry and A.R. Watts. Cherry testified, inter alia, that the Company has complied with the directives of the Commission per the Fuel Adjustment Clause. Watts testified, inter alia, that applying the Company's proposed factor of 1.348¢ per KWH would create an estimated under-recovery of \$1,622,778 for the period.

Pursuant to Jackson's testimony, and the testimony of the other witnesses, and after review of the terms of the submitted Stipulation and Agreement between the Consumer Advocate and SCE&G, and the entire record of this case, the Commission finds and concludes that the Stipulation and Agreement should be and is hereby accepted and adopted by this Commission.

IT IS THEREFORE ORDERED THAT:

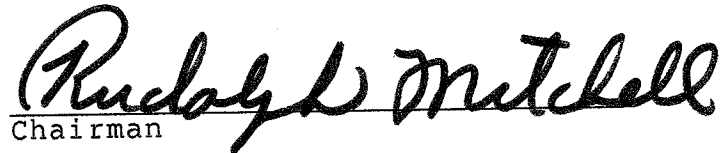
1. The base fuel factor for the period commencing for the first billing cycle of November 1995 through the billing cycles of

April 1996 is hereby continued at 1.3480¢ per kilowatt hour.

2. Within ten (10) days of the date of this Order, SCE&G shall file with the Commission the appropriate rate schedules designed to incorporate the findings herein and an adjustment for fuel costs tariff as demonstrated by the attached Appendix A.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)

**OCTOBER 11, 1995**

# South Carolina Electric & Gas Company - Semi-Annual Review of Base Rate for Fuel Costs

**STIPULATION AND  
AGREEMENT OF THE  
THE SOUTH CAROLINA  
CONSUMER ADVOCATE &  
SOUTH CAROLINA ELECTRIC  
& GAS COMPANY**

WHEREAS, in September of 1994, the South Carolina Public Service Commission ordered Docket No. 93-004-E to be opened for the semi-annual review of South Carolina Electric & Gas Company's fuel costs and fuel costs recovery pursuant to Section 58-27-865 of the Code of Laws of South Carolina (1976);

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examination of the Company's Power Plant Performance Data Reports, Major Unit Outage Reports, Generation Mix Reports, Generation Statistics, Retail Comparison of MWH Sales Reports, and Retail Comparison of Fuel Costs. In addition, the Staff has interviewed Company personnel concerning operating results of its generating units, has conducted on-site inspections of Company's coal quality sampling techniques, and has reviewed the Company's forecasting procedures, and currently approved Adjustment for Fuel Costs Tariff, along with the history of the Cumulative Recovery Account;

WHEREAS, based on these examinations and reviews, the Staff issued a Report of Fuel Adjustment Analysis in this Docket;

WHEREAS, the Staff and SCE&G have prefiled testimony in Docket No. 95-004-E concerning the Company's fuel operations and accounts;

WHEREAS, the Parties have carefully reviewed the information contained in the prefiled testimony of the witnesses for the Company and the Staff, as well as the Report of the Staff, and all supporting Exhibits;

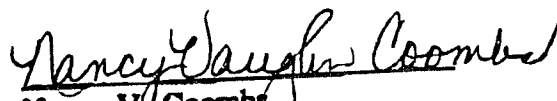
WHEREFORE, the Parties have agreed, and do hereby stipulate to the following matters related to the Company's fuel operations which if adopted by the Commission in the order on the merits of this proceeding will, within the scope of the matters addressed herein, result in rates for electric services which are just and reasonable, and supported by the evidence of the record of this proceeding and will further comply with the provisions of Section 38-27-865 of the Code of Laws of South Carolina (1976).


1. In the interest of rate stability and of maintaining consistent price signals to customers, and also in the interest of avoiding the burden and expense of rate adjustments,

the Parties agree and stipulate that the Company's base rate for fuel shall remain at the rate of 1.3480¢/KWH. This fuel costs recovery factor shall remain in effect from November, 1995, through April 6, 1996, or until superseded by order of the Commission.

2. For the period under review, March 1, 1995 through August 31, 1995, the Consumer Advocate does not contest a) the prudence of the Company's fuel purchasing practices and plant operations; or b) the reasonableness of the fuel costs incurred; c) the administration of fuel cost recovery accounts; or d) the accounting for fuel costs and purchased power.

WITNESS our signatures below:

  
Nancy V. Coombs  
Department of Consumer Affairs

  
Sarena D. Burch  
South Carolina Electric  
& Gas Company

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**Adjustment for Fuel Costs**

APPLICABILITY

This adjustment is applicable to and is a part of the Utility's South Carolina retail electric rate schedules.

The Public Service Commission has determined that the costs of fuel in an amount to the nearest one-thousandth of a cent, as determined by the following formula, will be included in the base rates to the extent determined reasonable and proper by the Commission for the succeeding six months or shorter period:

$$F = \frac{E}{S} + \frac{G}{S_1}$$

Where:

F= Fuel cost per Kilowatt-hour included in base rate, rounded to the nearest one-thousandth of a cent.

E= Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

PLUS

(B) Purchased power fuel costs such as those incurred in unit power and Limited Term power purchases where the fuel costs associated with energy purchased are identifiable and are identified in the billing statement.

PLUS

(C) Interchange power fuel costs such as Short Term, Economy, and other where the energy is purchased on economic dispatch basis.

Energy receipts that do not involve money payments such as Diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

MINUS

(D) The cost of fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as Diversity energy and payback of storage are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt-hour sales excluding any intersystem sales.

G = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E and S.

S<sub>1</sub> = Projected jurisdictional kilowatt-hour sales for the period covered by the fuel costs included in E.

The appropriate revenue related tax factor is to be included in these calculations.

The fuel cost (F) as determined by Public Service Commission of South Carolina Order No. 95-1616 for the period November 1995 through April 1996 is 1.348 cents per kilowatt-hour.